

**Child Care Resource Development
Child Care and Development Fund CFDA 93.575
Department of Education & Early Development – Program 32**

CHILD CAREGIVER COMPONENT

I. PROGRAM OBJECTIVES

The purpose of this grant program component for child caregivers is to provide education and training to eligible child care employees or administrators in accordance with AS 14.38.160, with 45 CFR 98.51, and with the current State Plan for the Child Care and Development Fund. Specific conditions are included in the Resource and Referral grant agreements.

This program involves a combination of state and federal pass through money. The audit may need to meet federal audit requirements, if applicable. The auditor should review the grant agreement for information on the amount of federal pass through funds in a specific grant.

II. PROGRAM PROCEDURES

Child care resource and referral grantees administer the child caregivers component. They annually survey eligible statewide provider training needs, arrange for or conduct training, provide training materials, reimburse appropriate training, and inform eligible providers about training opportunities.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

An annual grant agreement and policy and procedure manual govern program administration and services. The suggested audit procedures below should be performed in accordance with the specific provisions of the grant agreement in effect for a particular year. The auditors should contact the Department for the most current information on policy guidance and grant requirements.

A. TYPES OF SERVICES ALLOWED AND UNALLOWED

Compliance Requirements

The grant agreement, Attachment C, specifies allowable services, including:

1. determination of training needs through a regional survey of eligible care givers;

2. eligible training topics of early childhood development, including children's health and safety, training required for the maintenance of a child care facility licenses, or administration of a child care facility;
3. free training, or training at reduced cost (minimal registration/commitment fee) for eligible care givers and child care facility administrators;
4. reimbursement to eligible care givers for training in allowable subjects;
5. regional library services for eligible care givers; and,
6. periodic family information mailed to eligible caregivers.

Activities and subjects are allowable across both funding sources, except that the following activities may be paid only from state funds for care givers and administrators eligible under AS 14.38.160 (d): individual reimbursements (IRF payments), and travel grants.

Note: For activities and subjects allowable under both funding sources, caregiver eligibility varies as a result of the funds paying for that activity (see Eligibility).

A grantee's budget and narrative specifies approved expenditures for a particular grant year. Funds may be spent only to support the services and activities detailed in the grant agreement and policy and procedures manual for a particular grant year, unless modified by division approved grant amendments.

The services above are critical compliance elements. Particularly note that planning and coordination activities are not included and are allowable only to the extent that they result in service under the grant in the current grant year, to eligible caregivers and facility administrators.

A grantee must retain sufficient documentation to justify compliance with the grant agreement, Attachment A, requirements for reasonable, necessary, and directly charged costs, in accordance with OMB Circular A-122. Unless a grantee has a federally approved indirect cost rate, it must directly charge costs to the funding source under which a client is eligible (see Eligibility below).

Suggested Audit Procedures

- Review the grant agreement and policy and procedure manual, and any executed amendments in effect for the relevant time period. Include letters in the grant file from the division that clarify the grant agreement.
- Determine [whether] **that** accounting records provide for identification, classification, and recording of expenditures and revenues by each funding source and for each grant budget line item.

- Verify that expenditures were in accordance with grant terms and conditions and were for allowable costs. Especially note that while there may be minimal registration/commitment fees for training activities and minimal membership/damage deposit library fees that pay for costs otherwise chargeable to the grant, there should be no program income from eligible clients.
- Grant funds should only support training and related costs for participants eligible under the grant. Other funding sources, including fees that reflect the proportionate cost of training, should fully support inclusion of ineligible participants in training activities funded under the grant. Check sources of income for training activities. Check that a grantee has established a fee for service or collects other revenues sufficient[ly] to support costs of service to non-grant participants.
- Check financial records of conference support to verify no program income accrued to a grantee or to a jointly sponsoring agency or organization. Appropriate supporting documentation includes validation of participant eligibility, total revenues and expenses, specific allowable costs that were paid by grant funds, and the funding source (which dictates eligibility/ineligibility).

B. ELIGIBILITY

[Allowable Services are available to eligible caregivers and child care facility administrators, except that individual reimbursements and travel grants may be paid only to individuals eligible for training under AS 14.38.160 (d) , from state general funds].

Funding sources and related eligible participant groups [under the grant are]:

- [State general funds (100%): only care givers and child care facility administrators with a state or municipal child care license under AS 47.35.020 and who participate in the Child Care Assistance programs are eligible under AS 14.38.160 (d).] **Child care providers with a state or municipal child care license under AS 14.37 and who participate in the Child Care Assistance programs are eligible under AS 14.38.160(d).**
- Child Care and Development Fund ([100%] federal **funding source requiring a state match in some categories**):the care givers specified above, and child care givers exempt from state licensing as specified in AS **14.37.030** [47.35.020], and as further defined in 45 CFR 98.2(g), who hold appropriate valid Alaska business licenses.

Suggested Audit Procedures

- Review procedures for advertisement, billing, collection of fees for service, and recording of payments for non-grant clients.

- Verify that non-grant funds fully paid proportionate costs for services to non-grant clients.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING

Refer to current CCDF (Child Care Development fund) plan. Some categories of federal funding within this program contain [There are no] matching, level of effort and/or earmarking requirements.

D. REPORTING REQUIREMENTS

Compliance Requirements

Monthly payment is contingent upon complete, accurate, and timely monthly program and fiscal **reports submitted** [submission] to the division by a grantee. Timely report submission is considered the 20th of the following month, however, the division has accepted late reports for payment without consequence to a grantee up to two months in arrears of the due date.

Suggested Audit Procedures

- Evaluate the timeliness of report submission.
- Evaluate the completeness of the reports based on approved grant service activities.
- Verify that only allowable and approved grant activities were charged to each funding source for the reporting periods reviewed.
- Verify that costs for only those participants eligible under a particular funding source were paid by that funding source.
- Evaluate the accuracy of reports by tracing data on the reports to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirements

Fees for Service. A grantee must establish the cost for service and collect fees or otherwise pay for RD service to participants not eligible for free or reduced fee grant service.

Program Income. Fees collected from eligible participants for training or library activities under the grant must pay related costs. There should be no program income.

Suggested Audit Procedures

- Evaluate the solicitation, collection, handling, and use of fees for services.
- Verify there is no program income.
- Review documentation of fees for service by receipts and expenditures.

Modified 5/02